

AUDITING PROCEDURES REPORT

Issued under P.A. 2 of 1968, as amended. Filing is mandatory.

Local Government Type: <input type="checkbox"/> City <input checked="" type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Government Name: <u>Charter Township of Bedford</u>		County Calhoun
Audit Date December 31, 2004	Opinion Date March 17, 2005		Date Accountant Report Submitted To State: June 16, 2005	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.


We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations.

You must check the applicable box for each item below:

- | | |
|---------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements. |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980). |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended). |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act. |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91] or P.A. 55 of 1982, as amended [MCL 38.1132]) |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit. |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year). |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241). |
| <input type="checkbox"/> yes <input checked="" type="checkbox"/> no | 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95). |

We have enclosed the following:

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Reports on individual federal assistance programs (program audits).	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Single Audit Reports (ASLGU).	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Certified Public Accountant (Firm Name): PLANTE & MORAN, PLLC			
Street Address		City	State
Accountant Signature 		ZIP	

Charter Township of Bedford, Michigan

Financial Report with Supplemental Information December 31, 2004



Charter Township of Bedford, Michigan

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Independent Auditor's Report

To the Members of the Township Board
Charter Township of Bedford, Michigan

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Charter Township of Bedford, Michigan as of and for the year ended December 31, 2004, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Charter Township of Bedford, Michigan's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

Fixed assets acquired prior to January 1, 1990 of the business-type activities, Township proprietary fund, have not been capitalized, nor has related depreciation been recorded as required by accounting principles generally accepted in the United States of America. The amount of unrecorded fixed assets and depreciation cannot be determined. Consequently, the financial statements of the business-type activities, proprietary sewer fund, do not present fairly the statement of net assets, statement of activities, the statement of revenues, expenses, and change in net assets, or cash flows in accordance with accounting principles generally accepted in the United States of America.

In our opinion, except for the effects of the matter discussed in the preceding paragraph, the basic financial statements referred to above present fairly, in all material respects the financial position of the Charter Township of Bedford, Michigan at December 31, 2004, and the results of its operations and cash flows of its proprietary fund for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

To the Members of the Township Board
Charter Township of Bedford, Michigan

The management's discussion and analysis and the budgetary comparison schedules, as identified in the table of contents, are not a required part of the basic financial statements but are supplemental information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management, regarding the methods of measurement and presentation of the required supplemental information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Charter Township of Bedford, Michigan's, basic financial statements. The accompanying other supplemental information, as identified in the table of contents, is presented for the purpose of additional analysis and is not a required part of the basic financial statements. The other supplemental information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

As described in Note I, the Township has implemented a new financial reporting model, as required by the provisions of GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, and related statements, as of January 1, 2004.

Plante & Moran, PLLC

March 17, 2005

Charter Township of Bedford, Michigan

Management's Discussion and Analysis

Our discussion and analysis of the Charter Township of Bedford, Michigan's financial performance provides an overview of the Township's financial activities for the fiscal year ended December 31, 2004. Please read it in conjunction with the Township's financial statements.

Financial Highlights

As discussed in further detail in this discussion and analysis, the following represents the most significant financial highlights for the year ended December 31, 2004:

- State-shared revenue was reduced by the State of Michigan by approximately \$53,000 this year. The Township reacted by restricting Township departments to restrict purchases to an absolute need-only basis.
- Total net assets related to the Township's governmental activities increased by approximately \$14,000.
- The Township began paying on the fire equipment installment loan during the year.

Using this Annual Report

This annual report consists of a series of financial statements. The statement of net assets and the statement of activities provide information about the activities of the Township as a whole and present a longer-term view of the Township's finances. This longer-term view uses the accrual basis of accounting so that it can measure the cost of providing services during the current year, and whether the taxpayers have funded the full cost of providing government services.

The fund financial statements present a short-term view; they tell us how the taxpayers' resources were spent during the year, as well as how much is available for future spending. Fund financial statements also report the Township's operations in more detail than the government-wide financial statements by providing information about the Township's most significant funds. The fiduciary fund statements provide financial information about activities for which the Township acts solely as a trustee or agent for the benefit of those outside of the government.

Charter Township of Bedford, Michigan

Management's Discussion and Analysis (Continued)

The Township as a Whole

The following table shows, in a condensed format, the net assets as of the current date:

	Governmental Activities	Business-type Activities	Total
Assets			
Current assets	\$ 1,148,361	\$ 564,003	\$ 1,712,364
Noncurrent assets	<u>1,548,307</u>	<u>2,665,195</u>	<u>4,213,502</u>
Total assets	2,696,668	3,229,198	5,925,866
Liabilities			
Current liabilities	590,270	159,921	750,191
Long-term liabilities	<u>674,122</u>	<u>850,000</u>	<u>1,524,122</u>
Total liabilities	<u>1,264,392</u>	<u>1,009,921</u>	<u>2,274,313</u>
Net Assets			
Invested in capital assets -			
Net of related debt	828,489	1,164,978	1,993,467
Restricted	339,102	-	339,102
Unrestricted (deficit)	<u>264,685</u>	<u>1,054,299</u>	<u>1,318,984</u>
Total net assets	<u>\$ 1,432,276</u>	<u>\$ 2,219,277</u>	<u>\$ 3,651,553</u>

The Township's governmental activities net assets increased just over 1 percent from a year ago - increasing from \$1,418,000 to \$1,432,000.

Unrestricted net assets is the part of net assets that can be used to finance day-to-day operations. The current level of unrestricted net assets for our governmental activities stands at \$600,553, or about 36 percent of expenditures.

Charter Township of Bedford, Michigan

Management's Discussion and Analysis (Continued)

The following table shows the changes of the net assets during the current year.

Summary Condensed Income Statement (normally presented in thousands of dollars):

	Governmental Activities	Business-type Activities	Total
Revenue			
Program revenue - Changes for services	\$ 85,130	\$ 195,303	\$ 280,433
General revenue:			
Property taxes	794,131	-	794,131
State-shared revenue	728,114	-	728,114
Unrestricted investment earnings	13,721	21,544	35,265
Franchise fees	29,597	-	29,597
Miscellaneous	954	-	954
Total revenue	1,651,647.0	216,847.0	1,868,494.0
Program Expenses			
General government	706,475	-	706,475
Public safety	903,361	-	903,361
Interest on long-term debt	27,392	-	27,392
Sewer	-	249,633	249,633
Total program expenses	1,637,228	249,633	1,886,861
Change in Net Assets	\$ 14,419	\$ (32,786)	\$ (18,367)

Governmental Activities

The Township's total governmental revenue decreased by approximately \$103,860, primarily due to a decrease in state-shared revenue and miscellaneous revenue. Total governmental revenue decreased approximately 6 percent compared to revenues reported in 2003. Miscellaneous revenue decreased substantially in 2004 compared to 2003 due to a large revenue source of approximately \$90,000 in 2003 which was a result from a one-time sale of timber.

Expenses included in the governmental activities appear very consistent with prior year expenditures.

Charter Township of Bedford, Michigan

Management's Discussion and Analysis (Continued)

Business-type Activities

The Township's business-type activity consists of the Sewer Fund. We provide sewer treatment services to residents through a contract with the City of Battle Creek. An increase in the contract with the City of Battle Creek of approximately \$48,000 was a significant factor increasing the loss in the current year compared to the prior year. In 2003, the Township incurred a loss of approximately \$27,000 in the Sewer Fund. In the current year, the loss was approximately \$33,000, resulting in net assets at December 31, 2004 of \$2,219,000.

The Township's Funds

Our analysis of the Township's major funds begins on page 10, following the government-wide financial statements. The fund financial statements provide detail information about the most significant funds, not the Township as a whole. The Township's major funds for 2004 include the General Fund and the Sewer Fund. The Cemetery Fund is considered a nonmajor Special Revenue Fund.

General Fund expenses decreased by about \$973,000 during the year. Decreases in expenditures in the current year compared to prior year resulted from a substantial capital outlay for a fire truck purchased in 2003.

The General Fund pays for most of the Township's governmental services. The most significant are public safety expenditures, which incurred expenses of approximately \$845,000 in 2004. These services are partially supported by a special public safety millage and a fire millage, which are recorded in the General Fund.

General Fund Budgetary Highlights

Over the course of the year, the Township amended the budget to take into account events during the year. The most significant change was to increase the estimated board expenditures to account for the actual amount paid for debt service on the fire truck debt. Township departments overall stayed below budget, resulting in total expenditures \$107,128 below budget. Total revenues were lower than anticipated revenues by \$213,136. Anticipated revenues included a reserve amount of \$95,000. This amount was not received as revenue by the Township during the year. In addition, the anticipated amount to be received from state-shared revenue was approximately \$77,000 higher than the amount received during the year. The General Fund's fund balance decreased from \$807,000 a year ago down to \$701,000 at December 31, 2004.

Charter Township of Bedford, Michigan

Management's Discussion and Analysis (Continued)

Capital Asset and Debt Administration

During 2004, the Township invested approximately \$25,000 in a broad range of capital assets, with the majority of expenditures going toward fire equipment. During 2003, the Township purchased a new fire truck and incurred new debt related to the purchase.

Economic Factors and Next Year's Budgets and Rates

The Township is focused on controlling expenditures for the coming year due to the uncertainty of the state-shared revenue funding sources.

Contacting the Township's Management

This financial report is intended to provide our citizens, taxpayers, customers, and investors with a general overview of the Township's finances and to show the Township's accountability for the money it receives. If you have questions about this report or need additional information, we welcome you to contact the Clerk's office.

Charter Township of Bedford, Michigan

Statement of Net Assets December 31, 2004

	Primary Government		
	Governmental	Business-type	Total
	Activities	Activities	
Assets			
Cash and investments (Note 3)	\$ 992,812	\$ 517,538	\$ 1,510,350
Receivables - Net (Note 4)	145,927	528,486	674,413
Prepaid costs and other assets	9,622	8,196	17,818
Capital assets - Net (Note 5)	1,548,307	2,174,978	3,723,285
Total assets	2,696,668	3,229,198	5,925,866
Liabilities			
Accounts payable	23,841	-	23,841
Accrued and other liabilities	-	5,050	5,050
Internal balances	5,129	(5,129)	-
Deferred revenue (Note 4)	389,475	-	389,475
Noncurrent liabilities (Note 7):			
Due within one year	171,825	160,000	331,825
Due in more than one year	547,993	850,000	1,397,993
Compensated absences (Note 1)	23,129	-	23,129
Environmental liability (Note 8)	103,000	-	103,000
Total liabilities	1,264,392	1,009,921	2,274,313
Net Assets			
Invested in capital assets - Net of related debt	828,489	1,164,978	1,993,467
Restricted - Construction code surplus	3,234	-	3,234
Restricted - Fire levy	335,868	-	335,868
Unrestricted	264,685	1,054,299	1,318,984
Total net assets	<u>\$ 1,432,276</u>	<u>\$ 2,219,277</u>	<u>\$ 3,651,553</u>

Charter Township of Bedford, Michigan

Statement of Activities Year Ended December 31, 2004

	Program		Net (Expense) Revenue and Changes in Net		
	Expenses	Revenues	Assets		
		Charges for Services	Primary Government		
			Governmental Activities	Business-type Activities	Total
Functions/Programs					
Primary government:					
Governmental activities:					
General government	\$ 706,475	\$ 24,837	\$ (681,638)	\$ -	\$ (681,638)
Public safety	903,361	60,293	(843,068)	-	(843,068)
Interest on long-term debt	<u>27,392</u>	<u>-</u>	<u>(27,392)</u>	<u>-</u>	<u>(27,392)</u>
Total governmental activities	1,637,228	85,130	(1,552,098)	-	(1,552,098)
Business-type activities - Sewer	<u>249,633</u>	<u>195,303</u>	<u>-</u>	<u>(54,330)</u>	<u>(54,330)</u>
Total primary government	<u>\$ 1,886,861</u>	<u>\$ 280,433</u>	(1,552,098)	(54,330)	(1,606,428)
General revenues:					
Property taxes			794,131	-	794,131
State-shared revenues			728,114	-	728,114
Unrestricted investment earnings			13,721	21,544	35,265
Franchise fees			29,597	-	29,597
Miscellaneous			<u>954</u>	<u>-</u>	<u>954</u>
Total general revenues			<u>1,566,517</u>	<u>21,544</u>	<u>1,588,061</u>
Change in Net Assets			14,419	(32,786)	(18,367)
Net Assets - Beginning of year			<u>1,417,857</u>	<u>2,252,063</u>	<u>3,669,920</u>
Net Assets - End of year			<u>\$ 1,432,276</u>	<u>\$ 2,219,277</u>	<u>\$ 3,651,553</u>

Charter Township of Bedford, Michigan

Governmental Funds Balance Sheet December 31, 2004

	General Fund	Nonmajor Special Revenue Fund - Cemetery Fund	Total Governmental Funds
Assets			
Cash and investments	\$ 963,897	\$ 28,915	\$ 992,812
Receivables - Net	145,927	-	145,927
Prepaid costs and other assets	9,622	-	9,622
Total assets	<u>\$ 1,119,446</u>	<u>\$ 28,915</u>	<u>\$ 1,148,361</u>
Liabilities and Fund Balances			
Liabilities			
Accounts payable	\$ 23,841	\$ -	\$ 23,841
Due to other funds	5,129	-	5,129
Deferred revenue	389,475	-	389,475
Total liabilities	418,445	-	418,445
Fund Balances			
Reserved	339,102	28,915	368,017
Unreserved	361,899	-	361,899
Total fund balances	<u>701,001</u>	<u>28,915</u>	<u>729,916</u>
Total liabilities and fund balances	<u>\$ 1,119,446</u>	<u>\$ 28,915</u>	

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and are not reported in the funds	1,548,307
Long-term liabilities are not due and payable in the current period and are not reported in the funds	(845,947)
Net assets of governmental activities	<u>\$ 1,432,276</u>

Charter Township of Bedford, Michigan

Governmental Funds Statement of Revenue, Expenditures, and Changes in Fund Balances Year Ended December 31, 2004

	General Fund	Nonmajor Special Revenue Fund - Cemetery Fund	Total Governmental Funds
Revenue			
Property taxes	\$ 794,131	\$ -	\$ 794,131
Licenses and permits	96,382	-	96,382
State-shared revenues	728,114	-	728,114
Charges for services	18,345	-	18,345
Interest and rentals	13,538	183	13,721
Other	954	-	954
Total revenue	1,651,464	183	1,651,647
Expenditures - Current			
General government	912,891	-	912,891
Public safety	844,581	-	844,581
Total expenditures	1,757,472	-	1,757,472
Excess of Expenditures Over Revenue	(106,008)	183	(105,825)
Fund Balances - Beginning of year	807,009	28,732	835,741
Fund Balances - End of year	<u>\$ 701,001</u>	<u>\$ 28,915</u>	<u>\$ 729,916</u>

Charter Township of Bedford, Michigan

Governmental Funds Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities Year Ended December 31, 2004

Net Change in Fund Balances - Total Governmental Funds	\$	(105,825)
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures;
in the statement of activities, these costs are allocated
over their estimated useful lives as depreciation:

Additions	25,154
Depreciation	(75,539)

Change in compensated absences	(46)
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Repayment of bond principal is an expenditure in the governmental funds, but not in the statement of activities (where it reduces long-term debt)	166,675
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Decrease in estimate of environmental liability (where it reduces long-term debt)	4,000
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Change in Net Assets of Governmental Activities	\$	<u>14,419</u>
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Charter Township of Bedford, Michigan

Proprietary Funds Statement of Net Assets December 31, 2004

	Enterprise - Sewer
Assets	
Current assets:	
Cash and cash equivalents	\$ 517,538
Receivables - Net	528,486
Prepaid costs and other assets	<u>8,196</u>
Total current assets	1,054,220
Noncurrent assets - Capital assets	<u>2,174,978</u>
Total assets	3,229,198
Liabilities	
Current liabilities:	
Accrued and other liabilities	5,050
Due to other funds	(5,129)
Current portion of long-term debt	<u>160,000</u>
Total current liabilities	159,921
Noncurrent liabilities - Long-term debt - Net of current portion	<u>850,000</u>
Total liabilities	<u>1,009,921</u>
Net Assets	
Investment in capital assets - Net of related debt	1,164,978
Unrestricted	<u>1,054,299</u>
Total net assets	<u><u>\$ 2,219,277</u></u>

Charter Township of Bedford, Michigan

Proprietary Funds Statement of Revenue, Expenses, and Changes in Net Assets Year Ended December 31, 2004

	Enterprise - Sewer
Operating Revenue - Charges for services	\$ 195,303
Operating Expenses	
Sewer contract - City of Battle Creek	167,784
Legal and professional	2,000
Depreciation	<u>61,749</u>
Total operating expenses	<u>231,533</u>
Operating Loss	(36,230)
Nonoperating Revenue (Expense)	
Investment income	21,544
Interest expense	<u>(18,100)</u>
Total nonoperating revenue	<u>3,444</u>
Net Loss	(32,786)
Net Assets - Beginning of year	<u>2,252,063</u>
Net Assets - End of year	<u><u>\$ 2,219,277</u></u>

Charter Township of Bedford, Michigan

Proprietary Funds Statement of Cash Flows Year Ended December 31, 2004

	Enterprise - Sewer
Cash Flows from Operating Activities	
Receipts from customers	\$ 199,709
Payments to suppliers	(175,084)
Internal activity - Payments to other funds	<u>31,303</u>
Net cash provided by operating activities	55,928
Cash Flows from Capital and Related Financing Activities	
Collection of customer assessments (principal and interest)	95,000
Principal and interest paid on capital debt	<u>(178,100)</u>
Net cash used in capital and related financing activities	(83,100)
Cash Flows from Investing Activities - Interest received on investments	<u>21,544</u>
Net Decrease in Cash and Cash Equivalents	(5,628)
Cash and Cash Equivalents - Beginning of year	<u>523,166</u>
Cash and Cash Equivalents - End of year	<u><u>\$ 517,538</u></u>
Reconciliation of Operating Loss to Net Cash from Operating Activities	
Operating loss	\$ (36,230)
Adjustments to reconcile operating loss to net cash from operating activities:	
Depreciation and amortization	61,749
Changes in assets and liabilities:	
Receivables	4,406
Internal activity	20,703
Accrued and other liabilities	<u>5,300</u>
Net cash provided by operating activities	<u><u>\$ 55,928</u></u>

During the year ended December 31, 2004, there were no non-cash transactions.

Charter Township of Bedford, Michigan

Fiduciary Funds **Agency Funds - Statement of Assets and Liabilities** **December 31, 2004**

Assets - Cash and cash equivalents	<u><u>\$ 1,283,721</u></u>
Liabilities - Due to other governmental units	<u><u>\$ 1,283,721</u></u>

Charter Township of Bedford, Michigan

Notes to Financial Statements December 31, 2004

Note I - Summary of Significant Accounting Policies

The accounting policies of the Charter Township of Bedford, Michigan (the "Township") conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units with the following exception:

The Sewer Fund is on a full accrual basis and conforms to accounting principles generally accepted in the United States of America except that fixed assets acquired prior to January 1, 1990 have not been capitalized, nor has depreciation been recorded for those assets.

Reporting Entity

The Charter Township of Bedford, Michigan is governed by an elected seven-member Board of Trustees. As required by generally accepted accounting principles, these financial statements present the Charter Township of Bedford. In accordance with accounting principles generally accepted in the United States of America, there are no component units to be included in the financial statements.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenue.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual Enterprise Funds are reported as separate columns in the fund financial statements.

Charter Township of Bedford, Michigan

Notes to Financial Statements December 31, 2004

Note 1 - Summary of Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and the fiduciary fund. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Township considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The following major revenue sources meet the availability criterion: state-shared revenue and interest associated with the current fiscal period. Conversely, special assessments and federal grant reimbursements will be collected after the period of availability; receivables have been recorded for these, along with a "deferred revenue" liability.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, expenditures relating to compensated absences, and claims and judgments are recorded only when payment is due.

The Township reports the following major governmental funds:

General Fund - The General Fund is the Township's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Sewer Fund - The Sewer Fund accounts for the activities of the sewage collection system.

Additionally, the Township reports the following fund types:

Special Revenue - The Special Revenue Fund accounts for resources solely dedicated by the board for cemetery use.

Charter Township of Bedford, Michigan

Notes to Financial Statements December 31, 2004

Note 1 - Summary of Significant Accounting Policies (Continued)

Agency Funds - The Agency Funds account for assets held by the Township in a trustee capacity. Agency Funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations.

Private sector standards of accounting issued prior to December 1, 1989 are generally followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with the standards of the Governmental Accounting Standards Board. The Township has elected not to follow private sector standards issued after November 30, 1989 for its business-type activities.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the Township's sewer function and various other functions of the Township. Eliminations of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Proprietary funds distinguish operating revenue and expenses from nonoperating items. Operating revenue and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of our proprietary funds relates to charges to customers for sales and services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenue and expenses.

Property Tax Revenue

Property taxes are levied on each December 31 on the taxable valuation of property as of the preceding December 31. Taxes are considered delinquent on March 1 of the following year, at which time penalties and interest are assessed.

The Township's 2003 tax is levied and collectible on December 1, 2003 and is recognized as revenue in the year ended December 31, 2004, when the proceeds of the levy are budgeted and available for the financing of operations.

The 2003 taxable valuation of the Township totaled \$149.4 million, on which taxes levied consisted of .9149 mills for operating purposes, 2.0 mills for public safety equipment, and 1.75 mills for fire equipment. This resulted in \$136,000 for operating, \$287,000 for public safety equipment, and \$260,000 for fire equipment. These amounts are recognized in the General Fund financial statements as tax revenue.

Charter Township of Bedford, Michigan

Notes to Financial Statements December 31, 2004

Note I - Summary of Significant Accounting Policies (Continued)

Assets, Liabilities, and Net Assets or Equity

Bank Deposits and Investments - Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value.

Receivables and Payables - In general, outstanding balances between funds are reported as "due to/from other funds." Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as "advances to/from other funds." Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances." All trade and property tax receivables are shown as net of allowance for uncollectible amounts.

Prepaid Items - Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both government-wide and fund financial statements.

Capital Assets - Capital assets, which include property, plant, and equipment, are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the Township as assets with an initial individual cost of more than \$1,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Buildings, equipment, and vehicles are depreciated using the straight-line method over the following useful lives:

Sewer distribution systems	50 years
Buildings and building improvements	40 to 50 years
Other tools and equipment	3 to 20 years

Charter Township of Bedford, Michigan

Notes to Financial Statements December 31, 2004

Note 1 - Summary of Significant Accounting Policies (Continued)

Long-term Obligations - In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund-type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Issuance costs are reported as debt service expenditures.

Compensated Absences (Vacation Leave) - It is the Township's policy to permit employees to accumulate earned but unused sick and vacation pay benefits. There is no liability for unpaid accumulated sick leave since the Township does not have a policy to pay any amounts when employees separate from service with the Township. All vacation pay is accrued when incurred in the government-wide and proprietary statements. A liability for these amounts is reported in governmental funds only for employee terminations as of year end.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

Amortization - Expenses associated with the issuance of the bonds in the Enterprise Funds are being amortized on the straight-line method over the term of the bonds. For the year ended December 31, 2004, amortization totaling \$2,952 has been included in the nonoperating expenses of the Enterprise Funds.

Charter Township of Bedford, Michigan

Notes to Financial Statements December 31, 2004

Note I - Summary of Significant Accounting Policies (Continued)

Accounting Change - In June 1999, the Governmental Accounting Standards Board (GASB) issued Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*. The Charter Township of Bedford has applied the provisions of this statement in the accompanying financial statements (including the notes to the financial statements). The Township has elected to implement the general provisions of the statement. Certain significant changes in the statement include the following:

- A management's discussion and analysis (MD&A) section providing an analysis of the Township's overall financial position and results of operations
- Financial statements prepared using full accrual accounting for all of the Township's activities
- A change in the fund financial statements to focus on the major funds
- Capital assets in the governmental activities column of the statement of net assets include \$1,598,000 of buildings, improvements, tools, and equipment not previously accounted for by the Township
- The governmental activities column includes bonds and other long-term obligations totaling \$886,493 previously reported in the General Long-term Debt Account Group

Charter Township of Bedford, Michigan

Notes to Financial Statements December 31, 2004

Note 2 - Stewardship, Compliance, and Accountability

Construction Code Fees - The Township oversees building construction, in accordance with the State's Construction Code Act, including inspection of building construction and renovation to ensure compliance with the building codes. The Township charges fees for these services. The law requires that collection of these fees be used only for construction code costs, including an allocation of estimated overhead costs. A summary of the current year activity and the cumulative surplus or shortfall generated since January 1, 2000 is as follows:

Surplus at December 31, 2003	\$ 4,227
Current year building permit revenue	60,293
Related expenses:	
Direct costs	57,434
Estimated indirect costs	<u>3,852</u>
Total construction code expenses	<u>61,286</u>
Surplus at December 31, 2004	<u><u>\$ 3,234</u></u>

Note 3 - Deposits and Investments

Michigan Compiled Laws Section 129.91 (Public Act 20 of 1943, as amended) authorizes local governmental units to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations that have offices in Michigan. The local unit is allowed to invest in bonds, securities, and other direct obligations of the United States or any agency or instrumentality of the United States; repurchase agreements; bankers' acceptances of United States banks; commercial paper rated within the two highest classifications, which matures not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions, which are rated as investment grade; and mutual funds composed of investment vehicles that are legal for direct investment by local units of government in Michigan. The Township has designated four banks for the deposit of its funds.

The Charter Township of Bedford, Michigan's deposits and investment policies are in accordance with statutory authority.

Charter Township of Bedford, Michigan

Notes to Financial Statements December 31, 2004

Note 3 - Deposits and Investments (Continued)

At year end, the deposits and investments were reported in the basic financial statements in the following categories:

	Governmental Activities	Business-type Activities	Fiduciary Funds	Total Primary Government
Cash, cash equivalents, and investments	<u>\$ 992,812</u>	<u>\$ 517,538</u>	<u>\$ 1,283,721</u>	<u>\$ 2,794,071</u>

The breakdown between deposits and investments for the Township is as follows:

	Primary Government
Bank deposits (checking accounts, savings accounts, and certificates of deposit)	\$ 849,200
Investments in securities, mutual funds, and similar vehicles	1,944,711
Petty cash or cash on hand	<u>160</u>
Total	<u>\$ 2,794,071</u>

Deposits

The bank balance of the Township's deposits is \$859,344, of which approximately \$328,000 is covered by federal depository insurance. The remainder was uninsured and uncollateralized. The Township believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits. As a result, the Township evaluates each financial institution with which it deposits Township funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

Investments

The Township is authorized by Michigan Public Act 20 of 1943 (as amended) to invest surplus monies (of nonpension funds) in U.S. bonds and notes, certain commercial paper, U.S. government repurchase agreements, bankers' acceptances and mutual funds, and investment pools that are composed of authorized investment vehicles.

Charter Township of Bedford, Michigan

Notes to Financial Statements December 31, 2004

Note 3 - Deposits and Investments (Continued)

The Township's investments during the year consisted solely of bank investment pools. There was \$1,944,711 invested in such funds at December 31, 2004. Investments are normally categorized to give an indication of the level of risk assumed by the Township; however, these funds are not categorized because they are not evidenced by securities that exist in physical or book entry form. The Township believes that the investments in these funds comply with the investment authority noted above.

Note 4 - Receivables

Receivables as of year end for the Township's individual major funds, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	Sewer Fund	Total
Receivables:			
Accounts	\$ 145,927	\$ 20,689	\$ 166,616
Special assessment	-	490,217	490,217
Interest and other	-	17,580	17,580
Net receivables	<u>\$ 145,927</u>	<u>\$ 528,486</u>	<u>\$ 674,413</u>

Governmental funds report deferred revenue in connection with receivables for revenue that is not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received but not yet earned. At the end of the current fiscal year, the General Fund had \$389,475 in deferred revenue for property taxes received in the current fiscal year for the following tax year. This amount is unearned at December 31, 2004.

Charter Township of Bedford, Michigan

Notes to Financial Statements December 31, 2004

Note 5 - Capital Assets

Capital asset activity of the Township's governmental and business-type activities was as follows:

	Balance January 1, 2004	Additions	Balance December 31, 2004
Governmental Activities			
Capital assets not being depreciated -			
Land	\$ 37,163	\$ 300	\$ 37,463
Capital assets being depreciated -			
Buildings and improvements	767,054	-	767,054
Other tools and equipment	<u>1,070,370</u>	<u>24,853</u>	<u>1,095,223</u>
Subtotal	1,837,424	24,853	1,862,277
Accumulated depreciation -			
Buildings and improvements	103,145	18,714	121,859
Other tools and equipment	<u>172,749</u>	<u>56,825</u>	<u>229,574</u>
Subtotal	<u>275,894</u>	<u>75,539</u>	<u>351,433</u>
Net capital assets being depreciated	<u>1,561,530</u>	<u>(50,686)</u>	<u>1,510,844</u>
Net capital assets	<u>\$ 1,598,693</u>	<u>\$ (50,386)</u>	<u>\$ 1,548,307</u>
	Balance January 1, 2004	Additions	Balance December 31, 2004
Business-type Activities			
Capital assets being depreciated -			
Sewer distribution systems	\$ 2,939,851	\$ -	\$ 2,939,851
Accumulated depreciation -			
Sewer distribution systems	<u>706,076</u>	<u>58,797</u>	<u>764,873</u>
Net capital assets being depreciated	<u>\$ 2,233,775</u>	<u>\$ (58,797)</u>	<u>\$ 2,174,978</u>

Charter Township of Bedford, Michigan

Notes to Financial Statements December 31, 2004

Note 5 - Capital Assets (Continued)

Depreciation expense was charged to programs of the primary government as follows:

Governmental activities -	
General government	\$ 16,805
Public Safety	<u>58,734</u>
Total governmental activities	<u>\$ 75,539</u>
Business-type activities - Sewer	<u>\$ 58,797</u>

Note 6 - Interfund Receivables, Payables, and Transfers

The composition of interfund balances is as follows:

Receivable Fund	Payable Fund	Amount
Due to/from Other Funds		
Sewer Fund	General Fund	\$ 5,129

These balances result from the time lag between the dates that goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system, and payments between funds are made

Note 7 - Long-term Debt

The Township issues debt to provide for the acquisition and construction of major capital facilities. County contractual agreements and installment purchase agreements are general obligations of the government and pledge the full faith and credit of the Township. The MMBA bonds were issued by the State of Michigan and the proceeds are payable to Calhoun County. The Township is primarily liable for repayment of the bonds pursuant to a contract with Calhoun County. Under the contract, the Township is obligated to pay the principal and interest requirements on the bonds.

Charter Township of Bedford, Michigan

Notes to Financial Statements December 31, 2004

Note 7 - Long-term Debt (Continued)

Long-term obligation activity can be summarized as follows:

	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions (Reductions)	Ending Balance	Due Within One Year
Governmental Activities - Installment purchase agreement						
	3.09%	2008	\$ 886,493	\$ (166,675)	\$ 719,818	\$ 171,825
Business-type Activities						
Michigan Municipal Bond Authority (MMBA), Michigan State Revolving Loan Fund Program, County of Calhoun, Project No. 5015						
	2.00%	2010	\$ 1,170,000	\$ (160,000)	\$ 1,010,000	\$ 160,000

Annual debt service requirements to maturity for the above bonds and note obligations are as follows:

	Governmental Activities			Business-type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2005	\$ 171,825	\$ 22,242	\$ 194,067	\$ 160,000	\$ 20,200	\$ 180,200
2006	177,134	16,933	194,067	165,000	17,000	182,000
2007	182,608	11,460	194,068	165,000	13,700	178,700
2008	188,251	5,817	194,068	170,000	10,400	180,400
2009	-	-	-	175,000	7,000	182,000
2010-2014	-	-	-	175,000	3,500	178,500
Total	\$ 719,818	\$ 56,452	\$ 776,270	\$ 1,010,000	\$ 71,800	\$ 1,081,800

Note 8 - Contingencies

Environmental Cleanup - The Township is aware of soil contamination that occurred as the result of an underground storage tank. The Department of Environmental Quality is currently monitoring the site. The Township is currently working with a company specializing in environmental contamination to do required remediation and monitoring. Based upon estimates obtained from the environmental consultant, \$103,000 has been recorded as a liability in the government-wide statements as the estimated cost to clean up and monitor the contamination. The ultimate costs to clean up the contamination will be determined by the success of the initial phases of cleanup and cannot be determined at this time. Expenditures for the year ended December 31, 2004 were \$17,671.

Charter Township of Bedford, Michigan

Notes to Financial Statements December 31, 2004

Note 9 - Fund Balance

The Cemetery Perpetual Care Fund is reserved by the Township for cemetery care in the amount of \$28,915 and the General Fund balance is also reserved by the Township in the amount of \$3,234 for a surplus in construction code fee activity and \$335,868 for unspent fire tax levy at December 31, 2004.

Note 10 - Budget Information

The annual budget is prepared by the Township Supervisor and adopted by the Township Board; subsequent amendments are approved by the Township Board. Unexpended appropriations lapse at year end; encumbrances are not included as expenditures. The amount of encumbrances outstanding at December 31, 2004 has not been calculated. During the current year, the budget was amended in a legally permissible manner.

The statement of revenue, expenditures, and changes in fund balance - budget and actual - General Fund is presented on the same basis of accounting used in preparing the adopted budget and is adopted in accordance with accounting principles generally accepted in the United States of America.

The budget has been adopted on an activity basis; expenditures at this level in excess of amounts budgeted are a violation of Michigan law. A comparison of actual results of operations to the General Fund budget as adopted by the Township Board is included in the required supplemental information.

Note 11 - Contract for Services

During 2003, the Township renewed a contract with the City of Battle Creek for police services. The contract will run through June 2007.

The schedule of payments under the provisions of the contract is as follows:

2005	\$ 709,553
2006	762,769
2007	<u>819,976</u>
Total	<u>\$ 2,292,298</u>

Costs incurred for the contract during 2004 totaled \$637,025.

Charter Township of Bedford, Michigan

**Notes to Financial Statements
December 31, 2004**

Note 12 - Risk Management

The Township is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation), as well as medical benefits provided to employees. The Township has purchased commercial insurance for employees' medical benefits and participates in the Michigan Townships Participation Plan for claims relating to property loss, torts, errors, omissions, and workers' compensation. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

The Michigan Townships Participation Plan operates as an insurance purchasing pool for local units of government in Michigan. The plan purchases commercial insurance on behalf of its members at a lower cost than would be available on an individual basis.

Note 13 - Defined Contribution Retirement Plan

The Township provides pension benefits to all of its full-time employees through a defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate from the date of employment. As established by the Township Board, the Township contributes 6 percent of employees' gross earnings and employees contribute 5 percent of earnings. The Township has elected to contribute the 5 percent employee contribution for elected officials. In accordance with these requirements, the Township contributed \$24,672.

Required Supplemental Information

Charter Township of Bedford, Michigan

Required Supplemental Information Budgetary Comparison Schedule - General Fund Year Ended December 31, 2004

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Resources (Inflows)				
Current levy:				
Police and fire	\$ 287,600	\$ 287,600	\$ 287,343	\$ (257)
Township	136,600	136,600	136,574	(26)
Street lighting	63,000	63,000	62,619	(381)
Fire	261,300	261,300	260,461	(839)
Total current levy	748,500	748,500	746,997	(1,503)
Tax administration fee	45,000	45,000	47,134	2,134
Total tax revenue	793,500	793,500	794,131	631
State-shared revenue	805,000	805,000	728,114	(76,886)
Licenses, fees, and permits:				
Trailer fees	6,700	6,700	1,068	(5,632)
Zoning fees	3,000	3,000	1,575	(1,425)
Liquor license fees	4,500	4,500	3,849	(651)
Mechanical permits	12,000	12,000	16,020	4,020
Building permits	27,000	27,000	26,928	(72)
Electrical permits	12,500	12,500	11,195	(1,305)
Plumbing permits	6,000	6,000	6,150	150
Cable franchise	34,900	34,900	29,597	(5,303)
Total licenses, fees, and permits	106,600	106,600	96,382	(10,218)
Charges for services	14,500	14,500	18,345	3,845
Interest earned	25,000	25,000	(4,633)	(29,633)
Miscellaneous	120,000	120,000	19,125	(100,875)
Amounts available for appropriation	1,864,600	1,864,600	1,651,464	(213,136)

Charter Township of Bedford, Michigan

Required Supplemental Information Budgetary Comparison Schedule - General Fund (Continued) Year Ended December 31, 2004

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Charges to Appropriations (Outflows)				
General government:				
Township Board:				
Salaries			\$ 12,000	
Employee benefits			11,529	
Professional services			23,445	
Insurance			31,299	
Computer expense			20,598	
Reserve fund			18,067	
Debt service			194,067	
Printing and publications			4,073	
Total Township Board	\$ 416,000	\$ 388,500	315,078	\$ 73,422
Supervisor:				
Supervisor's salary			54,000	
Other salaries			21,996	
Employee benefits			32,037	
Total supervisor	109,300	109,300	108,033	1,267
Elections:				
Salaries			9,620	
Miscellaneous			8,865	
Total elections	12,000	18,500	18,485	15
Clerk:				
Clerk's salary			51,000	
Employee benefits			21,022	
Miscellaneous			807	
Total clerk	74,000	74,000	72,829	1,171

Charter Township of Bedford, Michigan

Required Supplemental Information Budgetary Comparison Schedule - General Fund (Continued) Year Ended December 31, 2004

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Charges to Appropriations (Outflows)				
General government:				
Board of Review:				
Salaries			\$ 1,970	
Employee benefits			151	
Total Board of Review	\$ 2,750	\$ 2,750	2,121	\$ 629
Treasurer:				
Treasurer's salary			51,000	
Employee benefits			21,371	
Miscellaneous			34	
Dues and publications			3,948	
Total treasurer	79,000	79,000	76,353	2,647
Parks:				
Repair and maintenance			2,017	
Insurance			527	
Miscellaneous			9,519	
Total parks	17,600	12,600	12,063	537
Planning Commission:				
Salaries			665	
Employee benefits			40	
Total Planning Commission	2,200	2,200	705	1,495

Charter Township of Bedford, Michigan

Required Supplemental Information Budgetary Comparison Schedule - General Fund (Continued) Year Ended December 31, 2004

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Charges to Appropriations (Outflows)				
General government:				
Assessor:				
Salaries - Assessor			\$ 37,200	
Other salaries			21,996	
Employee benefits			20,015	
Professional services			1,181	
Vehicle			942	
Printing and publishing			2,664	
Miscellaneous			<u>6,264</u>	
Total assessor	\$ 94,500	\$ 89,500	90,262	\$ (762)
Street lighting	63,000	63,000	56,208	6,792
Building and grounds:				
Utilities			15,565	
Repair and maintenance			11,715	
Communications			8,800	
Operating supplies			8,562	
Postage			5,694	
Insurance			5,726	
Sanitation			2,075	
Storage tank removal			17,671	
Miscellaneous			8,158	
Capital outlay			<u>6,862</u>	
Total building and grounds	75,700	87,700	90,828	(3,128)

Charter Township of Bedford, Michigan

Required Supplemental Information Budgetary Comparison Schedule - General Fund (Continued) Year Ended December 31, 2004

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Charges to Appropriations (Outflows)				
General government:				
Cemetery:				
Salaries			\$ 39,020	
Employee benefits			18,943	
Repair and maintenance			3,502	
Insurance			6,581	
Miscellaneous			1,880	
Total cemetery	\$ 73,000	\$ 73,000	69,926	\$ 3,074
Total general government	1,019,050	1,000,050	912,891	87,159
Public safety:				
Police:				
Employee benefits			14,732	
Battle Creek Police contract			637,025	
Total police	656,000	656,000	651,757	4,243
Fire:				
Salaries			40,575	
Employee benefits			3,104	
Gas and oil			3,650	
Communications			7,815	
Insurance			36,947	
Repair and maintenance			27,994	
Miscellaneous			1,489	
Replacement equipment			9,964	
Capital outlay			-	
Total fire	143,000	143,000	131,538	11,462
Building Department:				
Salaries			51,747	
Employee benefits			5,687	
Indirect costs			3,852	
Total Building Department	46,550	65,550	61,286	4,264
Total public safety	845,550	864,550	844,581	19,969
Total charges to appropriations	1,864,600	1,864,600	1,757,472	107,128
Net Change in Fund Balance	-	-	(106,008)	(106,008)
Fund Balance - Beginning of year	807,009	807,009	807,009	-
Fund Balance - End of year	<u>\$ 807,009</u>	<u>\$ 807,009</u>	<u>\$ 701,001</u>	<u>\$ (106,008)</u>

Other Supplemental Information

Charter Township of Bedford, Michigan

Other Supplemental Information Agency Funds - Combining Schedule of Assets and Liabilities Year Ended December 31, 2004

	Tax Collection Fund	Trust and Agency Fund	Total
Assets - Cash and cash equivalents	<u>\$ 1,278,019</u>	<u>\$ 5,702</u>	<u>\$ 1,283,721</u>
Liabilities - Due to other governmental units	<u>\$ 1,278,019</u>	<u>\$ 5,702</u>	<u>\$ 1,283,721</u>